VI.—ANNOUNCEMENTS—*cont*

(4) THE MADRAS CONTINGENCY FUND (AMENDMENT) BILL, 1965.

MR. SPEAKER : I have to announce to the House that the Governor has given his recommendation to the introduction in and consideration by the Madras Legislative Assembly the Madras Contingency Fund (Amendment) Bill, 1965.

X.—GOVERNMENT BILLS.

THE MADRAS CONTINGENCY FUND (AMENDMENT) BILL, 1965.

THE HON. SRI M. BHAKTAVATSALAM : Sir, I introduce the Madras Contingency Fund (Amendment) Bill, 1965 and move—

"that the Bill be taken into consideration."

According to Section 267 (2) of the Constitution of India, the Legislature of the State can establish a Contingency Fund in the nature of an imprest which will be placed at the disposal of the Governor for enabling him to make advances out of such fund for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature by law under Article 205 or 206.

The Madras Contingency Fund Act, 1950, created a Contingency Fund of Rs. 1 crore drawn from the Revenue Reserve Fund. In 1953–54 when the State was partitioned, the Madras Contingency Fund Act, 1954 was passed, fixing the amount of the Contingency Fund at Rs. 75 lakhs, to be transferred from the Consolidated Fund of the State of Madras to the Contingency Fund. Government found this amount of Rs. 75 lakhs inadequate, and the size of the Contingency Fund was therefore raised to Rs. 1.50 crores in 1959 by an Amending Act of the Legislature.

There has since then been an enormous increase in the scope and range of activities of the Government. In 1959-60 our revenue receipts were of the order of only Rs. 81 crores whereas in the current year they will amount to about Rs. 150 crores. The annual outlays on the Plan have also increased appreciably from about Rs. 49 crores in 1959–60 to well over Rs. 77 crores in 1964–65. The monetary limits prescribed for classification of New Service Scheme have not been raised, though the outlays on New Schemes to be sanctioned in the course of a financial year have been steadily on the increase. All these factors point to the need for enlargement of the corpus of the Contingency Fund. The need for enhancing the size of the Contingency Fund was actually felt in October last, when Government had to step into purchase foodgrains on a large scale to maintain the flow of supplies to Madras City and certain other areas. As the Legislature was not then in session and as the matter was of immediate urgency, an Ordinance had to be promulgated to enhance the corpus of the Contingency Fund, from Rs. 1.5 crores to Rs. 5 crores. This Bill is intended to replace the Ordinance. I commend this Bill for the acceptance of the House.